

Message Text

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ACTION ARA-10

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 1458

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FOR UNDER SECRETARY MAW, ARA - AMB. RYAN, L/ARA - MR. KOZAK,
L/EUR - MR. GANTZ, TREASURY - MR. MARESCA

EO 11652: NA

TAGS: BDIS, EINV, EMIN, PFOR, PE

SUBJECT: MARCONA - TAX CLAIMS; CONVERSATIONS WITH BOURSSET
AND KEIL

REF: LIMA 6191, LIMA 7403, MONROVIA 4819

1. ACTING CHIEF ECONOMIC SECTION CALLED AUGUST 16 ON JOSE LUIS BROUSSETT, MEMBER OF PERUVIAN MARCONA COMMISSION, TO INQUIRE ABOUT GENERAL STATUS OF NEW GOP DECREE DESCRIBED LIMA 7403 WHICH PERMITS MINPECO TO SELL IRON ORE FOB AND RE-LEXES REQUIREMENT (FOR IRON ORE) THAT 50 PERCENT OF EXPORTS MUST GO IN PERUVIAN SHIPS. EMBOFF ALSO TOO OPPORTUNITY TO INQUIRE ABOUT STEPS GOP COMMISSION WAS TAKING TO ENABLE IT TO HAVE CONCRETE PROPOSALS READY IN THE NEAR FUTURE TO PRESENT TO UNDER SECRETARY MAW.

2. BROUSSET DEVOTED MOST OF MEETING TO DESCRIPTION OF WORK OF HIS SUBCOMMISSION ON TAX CLAIMS AGAINST MARCONA. HIS MAIN POINT WAS THAT THIS GROUP AND OTHER GROUPS WITHIN COMMISSION WERE WORKING HARD TO FIND "TECHNICAL, AND LEGAL" SUPPORT FOR THE POLITICAL DECISION, WHICH HE IMPLIED HAD
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ALREADY BEEN MADE, TO REACH SETTLEMENT WITH MARCONA. HE

SHOWED EMBOFF PACKAGE OF DOCUMENTS HIS SUBCOMMISSION HAD PREPARED ON TAX CLAIM CASE AND SAID THAT HE WAS TO PRESENT THE MATTER ON THE FOLLOWING DAY (AUG. 17) TO PERSONNEL IN ECONOMY AND FINANCE AND FOREIGN MINISTRIES. WHILE HE WASN'T SPECIFIC ABOUT TIMETABLE FOR DECISION ON TAX CLAIMS, HE GAVE IMPRESSION THAT THIS PORTION OF PROBLEM WOULD BE COMPLETED BY END OF THIS WEEK OR EARLY NEXT.

3. BROUSSET MADE POINT WHICH WE HAVE HEARD BEFORE THAT PART OF DELAY SINCE APRIL HAS BEEN RESULT OF MARCONA'S DILATORY ACTION IN PRESENTING ITS CLAIMS. EMBOFF ATTEMPTED TO REFUTE ARGUMENT, CITING EFFORTS OF EMBASSIES LIMA AND MONROVIA IN OBTAINING PORTION OF NECESSARY DOCUMENTATION ON TAX CLAIMS (LIMA 6191 AND MONROVIA 4819), AND NOTING THAT MARCONA HAD PRESENTED CLAIMS DOCUMENTATION WITHIN DEADLINES PROVIDED BY GOP. MOREOVER, DOCUMENTATION WHICH USG HAD BEEN HELPFUL IN PROVIDING HAD BEEN GIVEN TO GOP OVER ONE MONTH BEFORE SO DELAY COULD NOT BE ATTRIBUTED ENTIRELY TO MARCONA. THESE ARGUMENTS, HOWEVER, DID NOT APPEAR TO REGISTER WITH BROUSSET. HE ASKED EMBOFF TO ENSURE THAT MARCONA MOVE RAPIDLY TO FILE ITS SUPPORTING EVIDENCE FOR ITS APPEALS IN TAX CLAIMS CASE ONCE GOP COMMISSION ISSUES A DECISION. BROUSSET INDICATED IN THIS REGARD THAT SUCH EVIDENCE WAS NECESSARY FOR GOP TO SETTLE TAX CLAIM IN MANNER THAT WOULD FIT WITHIN AGREEMENT IN PRINCIPLE. FYI: EMBOFF HAS INFORMED LOCAL MARCONA REP OF BROUSSET'S ADVICE RE PROMPT FILING OF SUPPORTING EVIDENCE FOR APPEAL. END FYI.

4. BROUSSET EXPRESSED IGNORANCE REGARDING NEW DECREE RESPECTING MINPECO SALES AND RELAXATION OF 50 PERCENT REQUIREMENT ON EXPORT SHIPMENTS. AFTER EXPLANATION BY EMBOFF OF NEW REGULATIONS AND CONCERNS EXPRESSED BY MARCONA (LIMA 7403) BROUSSET STATED HIS VIEW THAT NEW MEASURE PROBABLY WAS NOT INTENDED TO PROVIDE OPPORTUNITY FOR MINPECO TO AVOID USING MARCONA SHIPS AT SOME POINT AFTER SETTLEMENT IS REACHED.

5. DURING AUGUST 18 CALL BY ACTING CHIEF ECON SECTION ON FINANCE VICE MINISTER ROBERTO KEIL ON ANOTHER SUBJECT, KEIL REPORTED THAT BROUSSET HAD MADE ABOVE-MENTIONED TAX LIMITED OFFICIAL USE

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CLAIM PRESENTATION ON AUGUST 17 AND THAT MATTER WAS PROGRESSING AS GOP HAD EXPECTED. KIEL, WHO STATED THAT BROUSSET HAD BEEN GIVEN TASK TO WRAP UP MARCONA ISSUE WHILE HE, KEIL, HAD BEEN ASSIGNED TO OVERSEE GOP SETTLEMENT WITH SPCC, NEVERTHELESS SHOWED SOME UP-TO-DATE KNOWLEDGE OF GOP ACTIONS IN MARCONA CASE. FROM CONVERSATION, IT APPEARED HE FELT GOP OFFICIALS WORKING DIRECTLY ON MARCONA ARE TRYING TO HAVE WORK COMPLETED IN TIME TO ENABLE UNDER SECRETARY

MAW TO COME AS SOON AS POSSIBLE. WHEN PRESSED, HOWEVER, KEIL ADMITTED THAT HE DID NOT KNOW WHEN MARCONA WOULD BE ASKED TO SUPPLY SUPPORTING EVIDENCE IN ITS APPEAL NOR WHEN GOP WOULD BE READY TO MAKE CONCRETE PROPOSAL TO MAW.

6. COMMENT: GOP OFFICIALS' STATEMENTS APPEAR TO GIVE MORE CONCRETE DESCRIPTION OF STATUS OF THEIR WORK ON DETAILS OF MARCONA CASE THAN WE HAVE HEARD BEFORE. KEIL, ESPECIALLY, AND BROUSSET, TO SOME EXTENT, GIVE IMPRESSION THAT THEY AND OTHER COMMISSION MEMBERS HAVE BEEN GIVEN "MARCHING ORDERS" TO REACH SETTLEMENT SOON. HOWEVER, IT REMAINS DIFFICULT TO SAY WHEN THIS EXPRESSION OF GOP WILL TO REACH SETTLEMENT WILL BE CONVERTED INTO A FIRM SPECIFIC RESPONSE TO U.S. PROPOSALS. SMITH

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